

# CRAVATH, SWAINE & MOORE

WORLDWIDE PLAZA  
825 EIGHTH AVENUE  
NEW YORK, NY 10019-7475

TELEPHONE: (212) 474-1000  
FACSIMILE: (212) 474-3700

33 KING WILLIAM STREET SUITE 2609, ASIA PACIFIC FINANCE TOWER  
LONDON EC4R 9DU ENGLAND CITIBANK PLAZA  
TELEPHONE: 44-171-806-1421 3 GARDEN ROAD, CENTRAL  
FACSIMILE: 44-171-860-1150 HONG KONG

TELEPHONE: 852-2509-7200  
FACSIMILE: 852-2509-7272

WRITER'S DIRECT DIAL NUMBER

(212) 474-1820

DANIEL P. CUNNINGHAM  
KRIS F. HEINZELMAN  
B. ROBBINS KIESSLING  
ROGER D. TURNER  
PHILIP A. GELSTON  
RORY O. MILLSON  
NEIL P. WESTREICH  
FRANCIS P. BARRON  
RICHARD W. CLARY  
WILLIAM P. ROGERS, JR.  
JAMES D. COOPER  
STEPHEN L. GORDON  
ROBERT A. KINDLER  
DANIEL L. MOSLEY  
GREGORY M. SHAW  
PETER S. WILSON  
JAMES C. VARDELL, III  
ROBERT H. BARON  
KEVIN J. GREHAN  
W. CLAYTON JOHNSON  
STEPHEN S. MADSEN  
C. ALLEN PARKER  
MARC S. ROSENBERG  
WILLIAM B. BRANNAN  
LEWIS R. STEINBERG  
SUSAN WEBSTER  
WILLIAM H. WIDEN  
TIMOTHY G. MASSAD  
DAVID MERCADO  
ROWAN D. WILSON  
JOHN T. GAFFNEY  
PETER T. BARBUR  
SANDRA C. GOLDSTEIN  
PAUL MICHALSKI  
THOMAS G. RAFFERTY  
MICHAEL S. GOLDMAN

ALLEN F. MAULSBY  
JOHN R. HUPPER  
SAMUEL C. BUTLER  
JOHN F. HUNT  
GEORGE J. GILLESPIE, III  
THOMAS D. BARR  
MELVIN L. BEDRICK  
GEORGE T. LOWY  
ROBERT ROSENMAN  
ALAN J. HRUSKA  
JOHN E. YOUNG  
JAMES M. EDWARDS  
DAVID G. ORMSBY  
RICHARD J. HIEGEL  
FREDERICK A.O. SCHWARZ JR.  
CHRISTINE BESHAR  
ROBERT S. RIFKIND  
DAVID BOIES  
DAVID O. BROWNWOOD

PAUL M. DODYK  
RICHARD M. ALLEN  
THOMAS R. BROME  
ROBERT D. JOFFE  
HERBERT L. CAMP  
ALLEN FINKELSON  
RONALD S. ROLFE  
PAUL C. SAUNDERS  
MARTIN L. SENZEL  
DOUGLAS D. BROADWATER  
ALAN C. STEPHENSON  
MAX R. SHULMAN  
STUART W. GOLD  
JOHN W. WHITE  
JOHN E. BEERSOWER  
EVAN R. CHESLER  
PATRICIA GEOGHEGAN  
D. COLLIER KIRKHAM  
MICHAEL L. SCHLER

December 1, 1995

18765-B

18765-B

Dear Mr. Williams:

In accordance with 49 U.S.C. § 11303 and the Commission's Rules, we submit herewith for recording with the Commission one original and one copy of the document described below.

This document is a Lease and Indenture Supplement No. 3, a "secondary document", dated December 21, 1994.

The primary document to which this document is related is the Indenture and Security Agreement dated as of March 31, 1994, recorded with the Commission under recordation number 18765.

The names and addresses of the parties to the document are as follows:

LESSOR, MORTGAGOR	Nationsbank of South Carolina, National Association, as trustee for Signet Leasing and Financial Corporation 600 Peachtree Street, N.W. Atlanta, Georgia 30308
LESSEE	Union Pacific Railroad Company Eighth and Eaton Avenues Bethlehem, Pennsylvania 18018
MORTGAGEE	Harris Trust and Savings Bank, as indenture trustee, 311 West Monroe Chicago, Illinois 60690

The document covers one General Motors model GP 38-2 diesel-electric locomotive, bearing the road number of Union Pacific Railroad Company 2344.

The recordation fee of \$21.00 is enclosed. After recordation, please return the copy, stamped with the Commission's recordation data, to Allen H. Harrison, Jr., Donelan, Cleary, Wood & Maser, P.C., 1100 New York Avenue, N.W., Washington, D.C. 20005.

A short summary of the document for use in the index follows:

Lease and Indenture Supplement No. 3 dated December 21, 1994, among Nationsbank of South Carolina, National Association, as trustee, Union Pacific Railroad Company and Harris Trust and Savings Bank, as indenture trustee, substituting locomotive no. 2344 for locomotive no. 2074 under the Indenture and Security Agreement dated as of March 31, 1994.

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,



Michael Rice

Mr. Vernon A. Williams

Secretary

Interstate Commerce Commission

12th and Constitution Avenue, N.W.

Washington, D. C. 20423

Encl.

18765-B

18765-B

LEASE AND INDENTURE SUPPLEMENT NO. 3

Dated December 21, 1994

Among

NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION  
not in its individual capacity but solely  
as Owner Trustee,

UNION PACIFIC RAILROAD COMPANY,

and

HARRIS TRUST AND SAVINGS BANK, as Indenture Trustee

LOCOMOTIVES

---

CERTAIN RIGHTS, TITLE AND INTEREST COVERED HEREBY HAVE BEEN ASSIGNED TO HARRIS TRUST AND SAVINGS BANK, AS INDENTURE TRUSTEE, UNDER AN INDENTURE AND SECURITY AGREEMENT DATED AS OF MARCH 31, 1994. NO SECURITY INTEREST IN THIS LEASE AND INDENTURE SUPPLEMENT MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY HARRIS TRUST AND SAVINGS BANK ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF. THIS IS NOT THE ORIGINAL COUNTERPART.

---

THIS LEASE AND INDENTURE SUPPLEMENT NO. 3 HAS BEEN  
FILED WITH THE INTERSTATE  
COMMERCE COMMISSION PURSUANT  
TO 49 U.S.C. §11303 AND DEPOSITED  
IN THE OFFICE OF THE REGISTRAR GENERAL  
OF CANADA PURSUANT TO SECTION 90 OF  
THE RAILWAY ACT OF CANADA

LEASE AND INDENTURE SUPPLEMENT NO. 3, dated December 21, 1994 among NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee under that certain Trust Agreement dated as of March 31, 1994 with SIGNET LEASING AND FINANCIAL CORPORATION, a Maryland corporation, UNION PACIFIC RAILROAD COMPANY, a Utah corporation, and HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation, as Indenture Trustee.

Lessor, Lessee and Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement, Lessor and Lessee have heretofore entered into a Lease Agreement and Indenture Trustee and Owner Trustee have heretofore entered into an Indenture and Security Agreement, each dated as of March 31, 1994 (capitalized terms used herein without definitions having the meanings set forth in Schedule X to the Lease). The Lease provides in lieu of payment of Stipulated Loss Value for any Locomotive that has suffered an Event of Loss (other than by virtue of clause (vi) or (vii) of the definition thereof), Lessee may, on or prior to the date on which such Stipulated Loss Value would have otherwise been due, convey or cause to be conveyed to Lessor, as replacement for such Locomotive, title to a Replacement Locomotive free and clear of all Liens other than Permitted Encumbrances and having a fair market value, utility and remaining economic life at least equal to, and being in as good condition as, such replaced Locomotive. Prior to or at the time of any such conveyance, Lessee will (i) furnish Lessor with a bill of sale with respect to such Replacement Locomotive, (ii) duly execute a supplement to the Lease and the Indenture which shall subject such Replacement Locomotive to the Lease and to the lien of the Indenture and cause such supplement to be delivered to Lessor and to Indenture Trustee for execution and, upon such execution, cause such supplement to be filed for recordation in the same manner as provided for the Lease and Indenture Supplement covering the replaced Locomotive, (iii) furnish to Lessor and Indenture Trustee an Officer's Certificate certifying that the Replacement Locomotive is free and clear of all Liens other than Permitted Encumbrances, (iv) furnish to Lessor and Indenture Trustee an opinion of Lessee's counsel to the effect that (x) the bill of sale referred to in clause (i) above constitutes an effective instrument for the conveyance to Lessor of title to the Replacement Locomotive and (y) that all filings, recordings and other action necessary to perfect Lessor's and Indenture Trustee's respective interests in the United States of America and Canada in the Replacement Locomotive have been accomplished and (v) furnish to Lessor and Indenture Trustee a certificate of a qualified engineer certifying that the Replacement Locomotive has a fair market value, utility and remaining economic life at least equal to the Locomotive replaced thereby. Upon full compliance by Lessee with the foregoing, Lessor will transfer to Lessee, "as is", "where is" and without recourse or warranty (except as to the absence of Owner Encumbrances), all of Lessor's right, title and interest in and to such replaced Locomotive. For all purposes hereof, each such Replacement Locomotive shall, after such conveyance, be deemed a "Locomotive" as defined herein with the same Lessor's Cost as the Locomotive it replaced. No Event of Loss with respect to a Locomotive under the circumstances

contemplated by the terms of this Section 12(c) of the Lease shall result in any reduction in Basic Rent.

The Locomotive bearing the road number 2074 (the "Replaced Locomotive") has suffered an Event of Loss. The Lessee, by delivery of a bill of sale, is conveying to the Lessor a replacement locomotive, bearing the road number 2344 (the "Replacement Locomotive"), and the Lessor, by delivery of a bill of sale, is conveying to the Lessee the Replaced Locomotive.

ACCORDINGLY, in consideration of the premises and for good and sufficient consideration, Lessor, Lessee and Indenture Trustee hereby agree as follows:

1. The Lessor hereby accept the conveyance of the Replacement Locomotive, and the Lessee hereby accepts the Replacement Locomotive under the Lease. The Replacement Locomotive is hereby deemed to be a "Locomotive" for all purposes of the Lease, and subject to all the terms and conditions thereof.

2. In order to secure the prompt payment of the Obligations, Lessor has granted, assigned, transferred, pledged and set over a security interest unto Indenture Trustee in (i) the Replacement Locomotive listed on Schedule 1 hereto and (ii) the Lease and this Lease and Indenture Supplement, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto Indenture Trustee and its successors and its assigns. The Indenture Trustee does hereby release the Replaced Locomotive from the security interest and lien of the Indenture, and the Lessor and the Lessee do hereby release the Replaced Locomotive from the Lease.

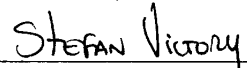
3. This Lease and Indenture Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Lease and Indenture Supplement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written and each of the undersigned signatories hereto declares pursuant to 28 U.S.C. § 1746 under penalty of perjury under the laws of the United States of America that the foregoing is a true and correct document and was executed and delivered on the date first above written.

Attest

  
Name:

NATIONSBANK OF SOUTH CAROLINA,  
NATIONAL ASSOCIATION,  
not in its individual capacity but solely as  
Owner Trustee,


By:   
Name: **Stefan Victory**  
Title: **Assistant Vice President**

Attest

UNION PACIFIC RAILROAD COMPANY,

\_\_\_\_\_  
Name:

By:



Name:

Title:

Attest

HARRIS TRUST AND SAVINGS BANK,  
as Indenture Trustee

\_\_\_\_\_  
Name:

By:

\_\_\_\_\_

Name:

Title:

Attest

UNION PACIFIC RAILROAD COMPANY,

Name:

By:

Name:

Title:

Attest

HARRIS TRUST AND SAVINGS BANK,  
as Indenture Trustee

Name: D. G. DONOVAN

By:

Name: KEVIN O. HEALEY

Title: VICE PRESIDENT

Receipt of this original counterpart of this Lease and Indenture Supplement is hereby acknowledged this \_\_\_\_ day of December , 1994.

HARRIS TRUST AND SAVINGS BANK,  
as Indenture Trustee

By: \_\_\_\_\_  
Name:  
Title:

Pursuant to the above-mentioned Trust Agreement, SIGNET LEASING AND FINANCIAL CORPORATION hereby authorizes and directs the Lessor to execute and deliver the foregoing instrument.

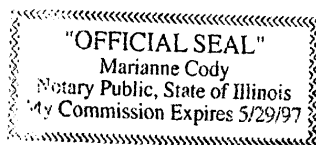
SIGNET LEASING AND  
FINANCIAL CORPORATION

By: \_\_\_\_\_  
Name:  
Title: GEORGE W. BRIDSON  
Vice President



STATE OF COOK ILLINOIS )  
 )  
 COUNTY OF COOK )

On this 30th day of December, 1994, before me personally appeared KEVIN O. HEALEY, to me personally known, who, being by me duly sworn, says that he is VICE PRESIDENT of HARRIS TRUST AND SAVINGS BANK, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]  
 Notary Public

[Notarial Seal]

My Commission Expires

STATE OF N.Y. )  
 ) ss.:  
 COUNTY OF N.Y. )

On this 29th day of November, 1995, before me personally appeared JOHN B. LARSON, to me personally known, who, being by me duly sworn, says that he is an ASSISTANT TREASURER of UNION PACIFIC RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledge that the execution of the foregoing instrument was the free act and deed of said Corporation.

[Signature]  
 Notary Public

[Notarial Seal]

My Commission Expires

**LOUISE MELLO**  
 Notary Public, State of New York  
 No. 43-4729612  
 Qualified in Richmond County  
 Certificate Filed in New York County  
 Commission Expires December 31, 1996

- 6 -

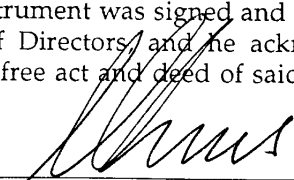
Received Time Oct. 20. 1:00PM

Print Time

Oct. 20. 1:03PM

STATE OF Georgia )  
 ) ss.:  
COUNTY OF Fulton )

On this 30 day of December, 1994, before me personally appeared Stefan Victory, to me personally known, who, being by me duly sworn, says that he is a Assistant Vice President of NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledge that the execution of the foregoing instrument was the free act and deed of said Corporation.

  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission Expires

g:\ml\lissup3.mjd  
Notary Public, DeKalb County, Georgia  
My Commission Expires May 18, 1996

STATE OF

) *Maryland*

COUNTY OF

) *Anne Arundel*

On this 30th day of December, 1994, before me personally appeared G. Victor Bryson, to me personally known, who being by me duly sworn, says that he is Vice President of SIGNET LEASING AND FINANCIAL CORPORATION, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Indira G. Hartman*  
Notary Public

[Notarial Seal]

My Commission Expires: 2/10/99